

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1309 (Delegate Lopez)
 Environment and Transportation

Transportation - State Highways - Project Approval

This bill requires the State Highway Administration (SHA) to provide comments on an application for a “development project” within 30 days after it receives the complete project application. “Development project” means a public or private construction project that requires approval from SHA for access to a State highway for ingress or egress.

Fiscal Summary

State Effect: Transportation Trust Fund (TTF) expenditures increase by *at least* \$592,900 in FY 2025. Future years reflect annualization, inflation, and minimum ongoing costs. Revenues are not affected.

(in dollars)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenues	\$0	\$0	\$0	\$0	\$0
SF Expenditure	592,900	702,200	733,500	765,600	799,200
Net Effect	(\$592,900)	(\$702,200)	(\$733,500)	(\$765,600)	(\$799,200)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local governments may benefit from the timeline established by the bill for affected projects; however, the bill is not anticipated to materially affect local government finances.

Small Business Effect: Minimal.

Analysis

Current Law: SHA is responsible for more than 5,200 miles or approximately 16,800 lane miles of road, 2,500 bridges, 3,500 small stream crossing structures, and

80 miles of sound/noise barriers in the State. It also has responsibility for planning, designing, constructing, and maintaining these roads and bridges to safety and performance standards while considering sociological, ecological, and economic concerns. SHA must construct, reconstruct, and repair State highways as necessary to maintain them in good condition.

Unless permitted to do so by SHA, a person may not (1) make an opening in any State highway; (2) place any structure on any State highway; (3) change or renew any structure placed on any State highway; (4) dig up any State highway for any purpose, including the placement of pipes, sewers, poles, wires, or rails; (5) plant or remove any tree on any State highway; or (6) place any obstruction or improvement on any State highway. Any such work must be performed to the satisfaction of SHA and under its supervision, and the person to whom a permit is issued or by whom the work is done must pay the cost of replacing the highway in as good a condition as before the work was done.

SHA's access permit process involves several steps, including (1) traffic impact study; (2) access permit plan review; and (3) permit package review. The steps are sequential, and at each step, SHA coordinates with local entities. The process to obtain a permit to connect a property or roadway to a State highway is established through regulation. The regulations establish separate processes depending on whether the project is for a [residential property connection](#) or a [commercial-industrial or street connection](#). SHA advises that when reviewing access permit applications, it categorizes the applications based on the potential impact to the State's right-of-way. These categorizations determine the review guideline for SHA for any given project, as follows:

- Type 1 projects are those that require minimal construction in the State's right-of-way (such as small commercial property connections and connections to smaller neighborhoods); SHA's review guideline for a Type 1 project is 30 days for the plan review step;
- Type 2 projects are similar in scope to Type 1 projects but may include additional elements (such as roadway lighting improvements, additional through lanes, or traffic signal installations); SHA's review guideline for a Type 2 project is 45 days for the plan review step; and
- Type 3 projects are those that require significant roadway reconstruction or new roadway alignments and include projects that directly affect the interstate system. These projects may require access breaks, noise wall studies, Interstate Access Point Approval coordination (which is required by federal law), and geotechnical exploration. SHA's review guideline for a Type 3 project is 60 days for the plan review step.

SHA advises that the review guidelines described above exclude the duration of the other steps and vary depending on the completeness of the plans submitted. Occasionally, plans

are returned for revision to correct errors, ensure compliance with State laws, regulations, and guidelines, and address incompleteness.

State Expenditures: By requiring SHA to review and comment on every project application to connect to a State highway within 30 days, the bill compresses SHA’s review period for Type 2 projects and significantly compresses SHA’s review period for Type 3 projects. (For Type 1 projects, SHA is already in compliance with the bill’s requirements.) SHA manages review of these applications through its seven engineering districts and anticipates a need for additional staff in each district to ensure that every application is reviewed and commented on in the 30-day timeline established by the bill. Specifically, SHA estimates that it needs 15 transportation engineers to comply with the bill (2 transportation engineers in each district and 1 travel forecasting transportation engineer) – at a cost of approximately \$1.3 million in fiscal 2025, increasing to nearly \$1.8 million by fiscal 2029. While the Department of Legislative Services acknowledges that SHA needs additional staff to comply with the bill, SHA did not provide any information regarding how it developed its estimate of staffing needs. Therefore, the need for 2 engineers in each district is unclear at this time.

Accordingly, TTF expenditures increase by *at least* \$592,864 in fiscal 2025, which accounts for the bill’s October 1, 2024 effective date. This estimate reflects the cost of hiring eight transportation engineers (one for each district and one travel engineer) to review and comment on project applications within the timeline established by the bill. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Positions	8.0
Salaries and Fringe Benefits	\$534,816
Operating Expenses	<u>58,048</u>
Minimum FY 2025 State Expenditures	\$592,864

Future year expenditures, which reflect minimum costs, reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

To the extent additional staff or contractual assistance is needed – beyond the eight additional staff estimated above – TTF expenditures increase further.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Department of Transportation; Maryland Stadium Authority; Interagency Commission on School Construction; Department of General Services; Maryland Association of Counties; Maryland Municipal League; Kent, Montgomery, and Worcester counties; towns of Bel Air and Leonardtown; Department of Legislative Services

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